VZCZCXRO3780
OO RUEHGA RUEHHA RUEHQU RUEHVC
DE RUEHOT #0211/01 0392258
ZNY CCCCC ZZH
O 082258Z FEB 08
FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7286
INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 7287
RHEHNSC/WHITE HOUSE NSC WASHINGTON DC PRIORITY
RUEHNO/USMISSION USNATO PRIORITY 0876

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 000211

SIPDIS

SIPDIS

E.O. 12958: DECL: 02/08/2018

TAGS: PGOV PREL AF CA

SUBJECT: INCHING TOWARD A SPRING ELECTION?

REF: A. OTTAWA 0001

¶B. 07 OTTAWA 1924

Classified By: DCM Terry Breese, reasons 1.4 (b) and (d)

- 11. (C) Summary. Chances of a spring election are on the upswing, with upcoming confidence votes on Afghanistan, the crime bill, and the budget. Polling numbers do not look like either major party would have any realistic hope of forming a majority government any time soon, however, and the results would likely look very much like the current face-off. It will all come down to whether the Liberals "blink" and let the Conservatives pass their legislative agenda, or respond to their bluff and bring down the government. Odds are still slightly on the former approach, but those odds are diminishing daily, despite an almost palpable lack of interest by the voting public in holding new elections now. End Summary.
- 12. (C) With the introduction of a confidence motion on February 8 proposing the extension of the Canadian Forces' mission in Kandahar until at least 2011 (contingent on NATO allies providing 1,000 troops in Kandahar as well as beefing up equipment like helicopters and UAVs, as the Manley Panel had recommended) and another confidence motion on February 7 insisting that the Liberal-dominated Senate pass the comprehensive crime bill no later than March 1, the Conservative government under Prime Minister Stephen Harper has dramatically raised the political stakes and has seemingly pushed the Liberals into a corner. There will be three additional confidence measures related to the budget, which the government plans to introduce at the end of February.
- <u>¶</u>3. (C) PM Harper has been repeatedly explicit that his real goal is to govern, along the lines of the clear policy agenda he laid out in the October 2007 Speech to the Throne (ref b), despite the minority status of his government. He reiterated during Question Hour on February 6 that his clear preference would be to govern until the fixed election date now set for October 2009. But he has also indicated that he does not intend merely to sit in office while opposition parties block or sabotage important legislation. Such an impasse led to his unusual prorogation of Parliament in summer 2007, in a dramatic effort to re-start legislative efforts. strategy was mildly successful once Parliament returned, with the Liberals opting for a series of "whipped abstentions" or even supporting some legislation, leading to the Commons' passage of the crime bill, the fall economic statement, and the controversial security certificate revised bill (now also in the Senate, facing a February 23 Supreme Court-set deadline for passage).
- ¶4. (C) Many pundits posit that the Conservatives are eager

for a new election soon in hopes of forming a majority government, but so far, polling numbers do not appear in their favor. The latest poll (November 2-4) by the respected Nanos Research Survey group -- which called the 2006 election almost exactly - indicated that the Liberals and Conservatives are in a virtual "statistical tie" at 33 pct and 31 pct of voter support nationwide, respectively. Both, however, are down in public support since November, by 1 and 4 points, respectively. (The New Democratic Party, the Bloc Quebecois, and the Green Party all made modest gains.) Notably, the Conservatives were down in the vote-rich provinces of Ontario and Quebec, by 1 and 6 pct, respectively, basically doing well only in their key Qrespectively, basically doing well only in their key constituencies in the west.

- 15. (C) With no realistic hopes of either the Liberals or the Conservatives gaining a genuine majority in any election in the near future, many insiders continue to predict that the Liberals will, essentially, blink by: a) letting the budget pass; b) bringing the crime bill (and security certificate bill) to a successful vote in the next weeks; and, c) most importantly, coming up with some compromise language to the Afghan extension bill that will enable them to support it. Conservative Leader of the Government in the House of Commons Peter Van Loan insisted publicly on February 8 that Prime Minister Harper had already given Liberal leader Stephane Dion a chance to offer such compromise language or amendments when they met privately on February 5, but that Dion had not taken up this offer. Dion on February 8 insisted that he would still propose such amendments, probably during the week of February 11.
- 16. (C) The Conservatives appear determined to embarrass the Liberals into voting against the government, with repeated public statements in and out of Parliament seemingly designed

OTTAWA 00000211 002 OF 002

to humiliate both Dion as a leader and the Liberal Party as a whole. PM Harper and other Conservatives had in particular underscored that the way forward they now propose on Afghanistan stem directly from the recommendations of the panel led by former Liberal Deputy Prime Minister and Foreign Minister John Manley. Dion has expressed vague support for a continued role for Canadian Forces in Afghanistan, while ruling out a "combat mission" after February 2009 (but increasingly citing a possible "security" role, as well as greater development assistance) but without offering much of a blueprint for what they should do instead, especially in light of the dangerous environment in Kandahar.

 $\P$ 7. (C) Funding and leadership are in the backs of everyone's minds in the major parties. The Conservatives apparently enjoy a vast advantage in funding, whereas the Liberals are supposed to be either virtually bankrupt and/or heavily in debt. Both parties have already identified a full slate of candidates for the next election, whenever it might be, and party officials in both camps have insisted privately that their party organizations nationwide are robust and ready as needed. The Conservatives are, however, much more united in support of Harper than their Liberal counterparts. Coming out of a bitter and divisive leadership race in December 2006, Dion remains a flashpoint of criticism within the party, variously for his less than stellar English oratory, his alleged lack of focus, and insufficient charisma. It has become almost a truism that many Liberals are interested in an election soon more in order to have a chance to change their own leader once he fails to lead the Liberals to victory than actually to beat the Conservatives. Many others in the Liberal camp also note that expectations of a decline in the Canadian economy (in the wake of a U.S. slowdown) would make elections more desirable later rather than sooner, while the Conservatives likely make the same calculation and do not wish a fall election. The Conservatives also are possibly concerned that by the fall Canadians might be more interested in the U.S. election than

their own.

18. (C) Overall, the odds still remain slightly in favor that the Conservatives will squeak through the series of confidence measures between now and April, and probably even at least until the long summer break begins in early June. Those odds, however, are clearly diminishing, and both parties will have to recalibrate the odds virtually on a daily basis. With the first of the confidence votes not until late February or early March and the usual 30 day campaign period, the earliest next possible election would not be until April. The other key factor is that there is an almost palpable lack of public interest in federal elections now, much less for an election likely to be inconclusive enough to lead to another minority government that would be in no better position to govern effectively.

Visit Canada,s Economy and Environment Forum at http://www.intelink.gov/communities/state/can ada

WILKINS